



PUBLIC NOTICE

Federal Communications Commission
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DA No. 21-406

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IHEARTMEDIA, INC. SEEKS FOREIGN OWNERSHIP RULING PURSUANT TO SECTION 310(B)(4) OF THE COMMUNICATIONS ACT OF 1934, AS AMENDED

PLEADING CYCLE ESTABLISHED

MB Docket No. 21-141

Comment Date: May 10, 2021

Reply Date: May 24, 2021

iHeartMedia, Inc. (iHeart) has filed a petition for declaratory ruling (Petition)¹ pursuant to section 310(b)(4) of the Communications Act of 1934, as amended,² and section 1.5004(f)(3) of the Commission's rules (Rules)³ asking the Federal Communications Commission to find that it would serve the public interest to approve the foreign equity and voting interests in iHeart held by Global Media & Entertainment Investments Ltd (GMEI), an entity previously named Honeycomb Investments Limited. Specifically, iHeart seeks (1) specific approval⁴ for the more than 5% equity and/or voting interests in iHeart currently held by GMEI and GMEI Reporting Persons;⁵ and (2) advance approval for GMEI and GMEI Reporting Persons to increase their equity and/or voting interests in iHeart up to a non-controlling amount not to exceed 9.99%.⁶ iHeart filed the Petition on behalf of itself and its wholly owned subsidiaries that hold Commission broadcast licenses.⁷

¹ Petition for Declaratory Ruling of iHeartMedia, Inc. (March 8, 2021) (Petition).

² 47 U.S.C. § 310(b)(4); *see also Commission Policies and Procedures Under Section 310(b)(4) of the Communications Act, Foreign Investment in Broadcast Licensees*, Declaratory Ruling, 28 FCC Rcd 16244 (2013).

³ 47 CFR § 1.5004(f)(3); *see also Review of Foreign Ownership Policies for Broadcast, Common Carrier, and Aeronautical Radio Licensees Under Section 310(b)(4) of the Communications Act of 1934, as Amended*, Report and Order, 31 FCC Rcd 11272 (2016), *pet. for recon. dismissed*, 32 FCC Rcd 4780 (2017).

⁴ Under section 1.5001(i)(1) of the Rules, petitioners for a declaratory ruling are required to identify and seek specific approval for any foreign individual, entity, or group that holds or would hold, directly and/or indirectly, more than 5% of equity and/or voting interests, or a controlling interest, in the petitioner's controlling U.S. parent, subject to certain exemptions including an exemption that increases the specific approval threshold to 10% for certain institutional investors. 47 CFR § 1.5001(i)(1)(3).

⁵ iHeart defines the GMEI Reporting Persons as, collectively, (1) GMEI's sole shareholder, The Global Media & Entertainment Investments Trust (GMEI Trust), a trust organized under the laws of the Bahamas; (2) Michael Tabor, a United Kingdom citizen and beneficiary of the GMEI Trust; and (3) James Hill and Simon Groom, United Kingdom citizens and trustees of the GMEI Trust. *See also infra* note 10.

⁶ On March 12, 2021, GMEI filed a separate petition for declaratory ruling, seeking approval for GMEI's current ownership interest in iHeart, as well as advance approval for GMEI to acquire noncontrolling voting and equity interests in iHeart not to exceed 49.99%. *See* Petition for Declaratory Ruling of Global Media & Entertainment

(continued....)

GMEI is a private limited company organized under the laws of the Bahamas. GMEI's sole shareholder is The Global Media & Entertainment Investments Trust (GMEI Trust), also organized under the laws of the Bahamas.⁸ Michael Tabor, a citizen of the United Kingdom, is the sole beneficiary of the GMEI Trust.⁹ Simon Groom and James Hill, both citizens of the United Kingdom, are the trustees of The GMEI Trust.¹⁰

On November 5, 2020, the Commission granted iHeart's July 25, 2019, petition for declaratory ruling,¹¹ authorizing up to and including 100% aggregate direct and/or indirect foreign investment (voting and equity) in iHeart and specifically approving two groups of foreign entities, not including GMEI or the GMEI Reporting Persons, to hold more than 5% of voting and/or equity interests in iHeart.¹² The declaratory ruling is subject to the terms and conditions set forth in section 1.5004 of the Commission's rules,¹³ including the requirement that iHeart "obtain Commission approval for any new or additional foreign individual, entity, or group of such individuals or entities to hold, directly and/or indirectly, more than 5% . . . of the equity and/or voting interests, or a controlling interest, in the company."¹⁴

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Investments Ltd, a shareholder of iHeart Media, Inc. (March 12, 2021) (GMEI Petition). Because the GMEI Petition was not filed by, or on behalf of, the licensees, we do not seek comment on this alternative petition. The Commission's rules require that broadcast *licensees* file the petition for declaratory ruling. *See* 47 CFR § 1.5000(a)(1) (a "broadcast . . . licensee . . . shall file a petition for declaratory ruling to obtain Commission approval under section 310(b)(4) of the Act"); *see also, e.g.,* 47 CFR § 1.5004(e) ("a *licensee* that has received a foreign ownership ruling . . . shall file a new petition for declaratory ruling under §1.5000 to obtain Commission approval before its foreign ownership exceeds the routine terms and conditions of its ruling") (emphasis added). Any GMEI request for specific approval in excess of the amount iHeart requested in the Petition would need to be proposed in comments in response to this Public Notice.

⁷ *See* Exh. A, Subsidiaries and Licensees. iHeart, a Delaware publicly traded corporation, owns 858 full power radio stations through two wholly owned subsidiaries: (1) iHM Licenses, LLC, a Delaware limited liability company, and (2) Los Angeles Broadcasting Partners, LLC, a Delaware limited liability company.

⁸ *Id.* at 5.

⁹ iHeart notes that Mr. Tabor and his family own Global Media & Entertainment Ltd (Global), the largest commercial radio company in the United Kingdom. *See* Petition at 6. iHeart states that, to its knowledge, "Global does not hold any interest in GMEI, and this Petition does not seek specific approval for Global or any other entity or individual aside from GMEI and GMEI Reporting Persons to hold voting or equity interest in iHeart." *Id.*

¹⁰ iHeart refers to the GMEI Trust and Messrs. Tabor, Hill, and Groom, collectively, as "GMEI Reporting Persons." *See* Exhibit D to Petition, Specific Approval Parties and Their Attributable Interest Holders (detailing information regarding the individuals or entities directly holding an attributable interest in GMEI).

¹¹ *See* Petition for Declaratory Ruling of iHeartMedia, Inc., MB Docket No. 20-51 (filed July 25, 2019); Supplement to Petition for Declaratory Ruling of iHeartMedia, Inc., MB Docket No. 20-51 (filed Jan. 28, 2020) (Supplement). iHeart sought the declaratory ruling due to changes in its ownership structure, which were an outgrowth of bankruptcy reorganization, and in order to obtain flexibility to take on additional foreign investment and maximize its access to capital and promote the free transferability of its Class A Stock. *See* Petition at 2.

¹² *See iHeart Media, Inc., Petition for Declaratory Ruling Under Section 310(b)(4) of the Communications Act of 1934, as Amended*, MB Docket No. 20-51, Declaratory Ruling, 35 FCC Rcd 12770 (MB 2020) (*iHeart Declaratory Ruling*).

¹³ 47 CFR § 1.5004.

¹⁴ *iHeart Declaratory Ruling*, 35 FCC Rcd at 12777, para. 19.

According to the Petition, iHeart recently learned that changes in its ownership outside its control had impacted its foreign ownership.¹⁵ Specifically, on February 5, 2021, GMEI filed a Schedule 13D with the United States Securities and Exchange Commission (SEC) to report its acquisition of an approximately 8.7% voting interest in iHeart through its 9,631,329 shares of Class A Stock.¹⁶ iHeart explains that GMEI's acquisition of Class A Stock "was an independent investment decision by GMEI and was wholly outside of iHeart's control, was not reasonably foreseeable to iHeart, and was not known to iHeart before or at the time it occurred."¹⁷ iHeart notified the Audio Division of the Commission's Media Bureau of GMEI's acquisition in a February 16, 2021 letter¹⁸ and filed the present remedial Petition within thirty days of that letter, as required by section 1.5004(f)(3) of the Rules.¹⁹ On February 19, 2021, the Audio Division issued a letter stating that the Commission had not determined that GMEI's ownership of iHeart Class A stock is contrary to the public interest.²⁰

iHeart states that grant of the Petition will serve the public interest by "curing the inconsistency with the FCC's ownership rules that was caused by GMEI's independent investment decision to acquire more than 5% of iHeart's voting and equity."²¹ iHeart asserts that grant will also "incentivize foreign investment and advance U.S. trade policy by encouraging reciprocal investment opportunities for U.S. companies in foreign markets."²² Finally, iHeart highlights the fact that GMEI and GMEI Reporting Persons consist of a company and trust organized under the laws of The Bahamas and three citizens of the United Kingdom, countries which "engage in robust reciprocal trade with the United States."²³ Accordingly, iHeart states that the proposed foreign ownership "does not appear to create any national security or law enforcement concerns."²⁴

Pursuant to 1.5001(i) of the Commission's rules, iHeart requests specific approval for the existing 8.7% voting interest and 6.6% equity interest that GMEI and GMEI Reporting Persons hold in iHeart.²⁵

¹⁵ See Petition at 4.

¹⁶ *Id.* at 3. iHeart explains that the Securities Exchange Act of 1934, as amended, 15 U.S.C. 78a *et seq.*, requires beneficial owners of more than 5% of iHeart's Class A Stock to report their holdings on Schedules 13D or 13G within the time periods established by the SEC. *Id.*

¹⁷ *Id.* at 4. iHeart states that it first became aware that GMEI had become a holder of greater than 5% of its voting and equity on February 5, 2021, through GMEI's Schedule 13D filing and an oral notification to iHeart's FCC counsel from GMEI's FCC counsel. *Id.* at 3-4.

¹⁸ Letter from Eve Klindera Reed, Counsel for iHeart Media, Inc., to Albert Shuldiner, Chief, Audio Div., Media Bureau, FCC (Feb. 16, 2021).

¹⁹ 47 CFR § 1.5004(f)(3).

²⁰ Letter from Albert Shuldiner, Chief, Audio Div., Media Bureau, FCC, to Eve Klindera Reed, Counsel for iHeartMedia, Inc. (Feb. 19, 2021).

²¹ Petition at 2. See also Petition at 7.

²² *Id.* at 2.

²³ *Id.* at 7.

²⁴ *Id.*

²⁵ Specifically, according to Exhibits B and C of the Petition, two entities and three individuals hold the following approximate voting and equity interests in iHeart: (1) GMEI – 8.7% voting interest and 6.6% equity interest; (2) GMEI Trust – 8.7% voting interest and 6.6% equity interest; (3) Michael Tabor – 0% voting interest and 6.6% equity interest; (4) James Hill – 8.7% voting interest and 0% equity interest; and (5) Simon Groom – 8.7% voting interest and 0% equity interest. See Petition at Exhibit B – Attributable Interest Holders of iHeartMedia, Inc. and Exhibit C – iHeartMedia, Inc. Ownership and Control Structure.

In addition, iHeart requests advance approval, pursuant to section 1.5001(k),²⁶ for GMEI and GMEI Reporting Persons to increase their equity and voting interest in iHeart to a non-controlling amount not to exceed 9.99%.

The Commission has found the Petition, on initial review, to be acceptable for filing. The Commission may require iHeart to submit any additional documents or statements of fact that in its judgment may be necessary. The Commission also reserves the right to return the Petition if, on further examination, it is determined to be defective and not in conformance with its rules and policies.

EX PARTE STATUS OF THIS PROCEEDING

Pursuant to section 1.1200(a) of the Commission's Rules,²⁷ the Commission may adopt modified or more stringent *ex parte* procedures in particular proceedings if the public interest so requires. We announce that this proceeding will be governed by permit-but-disclose *ex parte* procedures that are applicable to non-restricted proceedings under section 1.1206 of the Rules.²⁸

Parties making oral *ex parte* presentations are directed to the Commission's *ex parte* rules. Parties are reminded that memoranda summarizing the presentation must contain the presentation's substance and not merely list the subjects discussed.²⁹ More than a one- or two-sentence description of the views and arguments presented is generally required.³⁰ Other rules pertaining to oral and written presentations are set forth in section 1.1206(b) as well.³¹

GENERAL INFORMATION

The petition for declaratory ruling referred to in this Public Notice has been accepted for filing upon initial review. The Commission reserves the right to return any filing if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules or policies. Interested persons must file comments no later than **May 10, 2021**. Replies must be filed no later than **May 24, 2021**.

To allow the Commission to fully consider all substantive issues regarding the Petition in as timely and efficient a manner as possible, commenters should raise all issues in their initial filings. A party or interested person seeking to raise a new issue after the pleading cycle has closed must show good cause why it was not possible for it to have raised the issue previously.³² Submissions after the pleading cycle has closed that seek to raise new issues based on new facts or newly discovered facts should be filed within 15 days after such facts are discovered. Absent such a showing of good cause, any issues not timely raised may be disregarded by the Commission.

²⁶ 47 CFR § 1.5001(k).

²⁷ *Id.* § 1.1200(a).

²⁸ *Id.* § 1.1206.

²⁹ *See id.* § 1.1206(b)(1).

³⁰ *See id.*

³¹ *Id.* § 1.1206(b).

³² *Id.* §§ 1.46(a), 73.3584(e).

All filings concerning matters referenced in this Public Notice should refer to MB Docket No. 21-141, as well as the specific file number of any relevant individual application or other matters to which the filings pertain.

Submissions in this matter may be filed electronically (i.e., through ECFS) or by filing paper copies.

- **Electronic Filers:** Documents may be filed electronically using the Internet by accessing the ECFS: <http://fjallfoss.fcc.gov/ecfs2/>.

- **Paper Filers:** Parties who choose to file by paper must file an original and one copy of each filing. Filings can be sent by commercial overnight courier or by first-class or overnight U.S. Postal Service mail.³³ All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission. Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9050 Junction Drive, Annapolis Junction, MD 20701. U.S. Postal Service first-class, Express, and Priority mail must be addressed to 45 L Street, NE, Washington, D.C. 20554.

One copy of each pleading must be delivered electronically, by e-mail, or if delivered as paper copy, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail (according to the procedures set forth above for paper filings), to: (1) Albert Shuldiner, Audio Division, Media Bureau, at albert.shuldiner@fcc.gov; (2) Christopher Clark, Audio Division, Media Bureau, at christopher.clark@fcc.gov; and (3) Amy Van de Kerckhove, Audio Division, Media Bureau, at amy.vandekerckhove@fcc.gov. Any submission that is e-mailed to Albert Shuldiner, Christopher Clark, and Amy Van de Kerckhove should include in the subject line of the e-mail: (1) MB Docket No. 21-141; (2) the name of the submitting party; and (3) a brief description or title identifying the type of document being submitted (e.g., MB Docket No. 21-141, [name of submitting party], Comments).

Copies of the Petition and any subsequently filed documents in this matter are available electronically through the Commission's Electronic Filing Comment System (ECFS), which may be accessed on the Commission's Internet website.

To request materials in accessible formats for people with disabilities (Braille, large print, electronic files, audio format), send an email to fcc504@fcc.gov or call the Consumer and Governmental Affairs Bureau at (202) 418-0530 (voice) or (202) 418-0432 (TTY). Contact the FCC to request reasonable accommodations for filing comments (accessible format documents, sign language interpreters, CART, etc.) by email: FCC504@fcc.gov; phone: (202) 418-0530 or TTY: (202) 418-0432.

For further information, contact Albert Shuldiner, Audio Division, Media Bureau, at (202) 418-2726. Press inquiries should be directed to Janice Wise, Media Bureau, (202) 418-8165 or (888) 835-5322.

By: Chief, Media Bureau

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³³ Effective March 19, 2020, and until further notice, the Commission no longer accepts any hand or messenger delivered filings. This is a temporary measure taken to help protect the health and safety of individuals, and to mitigate the transmission of COVID-19. See *FCC Announces Closure of FCC Headquarters Open Window and Change in Hand-Delivery Filing*, Public Notice, DA 20-304 (rel. Mar. 19, 2020), <https://www.fcc.gov/document/fcc-closes-headquarters-open-window-and-changes-hand-delivery-policy>.